

January 20, 2022

Governor Michelle Lujan Grisham
New Mexico State Capitol
Santa Fe, NM 87501

Secretary Kenney
New Mexico Environment Department
Santa Fe, NM 87505

Via email to: hydrogen.feedback@state.nm.us.

Dear Governor Grisham and Secretary Kenney:

California-based Oberon Fuels (Oberon) is an innovative company that has focused for over ten years on dimethyl ether (DME) transportation fuel, a powerful molecule that can be used to decarbonize transportation in three ways: 1) as a diesel fuel replacement, 2) as a blend with propane to reduce its carbon intensity, and 3) as a hydrogen carrier to power fuel-cell electric vehicles. Oberon Fuels is strongly supportive of the New Mexico Hydrogen Incentive Bill.

Oberon Fuels and the DME-to-Hydrogen Pathway in New Mexico

Oberon has challenged the status quo by introducing innovative solutions to the transportation sector to reduce its carbon footprint, vehicle emissions and improve local air quality while creating economic opportunity for the communities where they operate.

In June 2021, Oberon and Los Alamos National Laboratory joined together for a U.S. Department of Energy (DOE) funded project to scale-up steam reforming technology to produce renewable hydrogen (rH₂) from renewable dimethyl ether (rDME), an innovative approach to increasing the global renewable hydrogen supply. The effort is funded by DOE's Technology Commercialization Fund, which supports mature, promising energy technologies with the potential for high impact and is also part of DOE's "H₂@Scale" initiative to accelerate development of a hydrogen economy by funding advanced-technology research, development and demonstration (RD&D) with industrial partners.

Renewable DME has the potential to overcome the two largest barriers to widespread hydrogen adoption: the lack of cost-competitive, sustainable production and lack of energy-dense storage and transport. DME is a hydrogen-

rich molecule that can be produced from waste and/or renewable resources using Oberon's modular production technology. Because DME handles like propane/liquefied petroleum gas (LPG), it requires minimal modifications to the existing global LPG distribution network and leverages the expertise of its existing workforce. This project will produce the final step - technology that can convert rDME into rH₂ fuel at the point of use.

Oberon Support for the New Mexico Hydrogen Incentive Bill

As Oberon continues to build DME production capacity and to create market demand, the company is looking beyond California for opportunities to convert local waste streams, such as dairy manure, to low-carbon or carbon-negative DME and hydrogen and create local, family-wage, clean energy jobs. Because of New Mexico's significant dairy industry, the company has begun evaluating DME production in New Mexico with a model of local feedstock, local production, and local consumption. The proposed Hydrogen Incentive Bill would positively impact the project opportunities in New Mexico and enable the regions where the feedstock is located to benefit from the emissions reductions of a local DME-to-hydrogen production pathway as well as the creation of local, family-wage, clean energy jobs.

For example, in ramping up rDME production, we hired nine additional onsite personnel in the summer of 2020 in the Imperial Valley region of California when the area was experiencing 27% unemployment due to the COVID-19 pandemic.

We wholeheartedly support your efforts to create a strong hydrogen economy and look forward to continuing to work with the state of New Mexico and its local entities to evaluate the opportunity to reduce emissions, create low-carbon or carbon-negative fuels, and create good-paying jobs.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca Boudreaux".

Rebecca Boudreaux, Ph.D.
President and CEO, Oberon Fuels

